GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:5510
ANSWERED ON:15.05.2007
SICK TEXTILE MILLS
Athawale Shri Ramdas

Will the Minister of TEXTILES be pleased to state:

(a) the number of textiles mills in the country lying sick for more than the last five years and their performance, State/Union Territory and mill-wise;

(b) the steps taken by the Government to streamline them and raise their standards through modernisation during the last three years;

(c) the details of the funds allocated for this purpose; and

(d) the details of the action plan in this regard ?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN)

(a) As per the information with Board of Industrial Financial Reconstruction (BIFR), 156 textile units have been declared sick till on 31.10.2006 as below:-

State / Union Territory	No. of mills declared Sick
Andhra Pradesh	9
Assam	1
Delhi	12
Gujarat	12
Haryana	4
Karnataka	10
Kerala	4
Madhya Pradesh	4
Maharashtra	35
Orissa	1
Pondicherry	1
Punjab	6
Rajasthan	8
Tamilnadu	38
Uttar Pradesh	2
West Bengal	9
Total	156

(b), (c) & (d) Government have no separate funding scheme for streamlining/ modernization of sick textile mills. However, Government have taken a number of steps for revival of sick industrial units which, inter-alia, include guidelines of the Reserve Bank of India (RBI) to banks, amalgamation of sick units with healthy units, setting up of BIFR under the Sick Industrial Companies (Social Provisions) Act, etc. The RBI has been issuing from time to time elaborate guidelines covering all areas of industrial rehabilitation viz. detection of industrial sickness at incipient stage, identification of sick/weak units, carrying out viability study of the units, then extending relief and concessions to only viable units, co-ordination among banks and financial institutions and banks themselves, norms for promoters' contribution, extended period for repayment/rescheduling of loans, conversions and waivers of penal rate/compound interest etc. BIFR has been set up with a view to arranging the timely detection of sick and potentially sick companies and for the speedy determination of preventive, ameliorative and remedial measures, which need to be taken in respect of such companies. It appoints operating agencies for preparation of rehabilitation proposals in respect of potentially viable units. It takes decision on rehabilitation on the basis of its findings.